

1997-98 SESSION  
COMMITTEE HEARING  
RECORDS

Committee Name:

Joint Committee on  
Finance  
(JC-Fi)

Sample:

- Record of Comm. Proceedings
- 97hrAC-EdR\_RCP\_pt01a
- 97hrAC-EdR\_RCP\_pt01b
- 97hrAC-EdR\_RCP\_pt02

➤ Appointments ... Appt

➤

➤ Clearinghouse Rules ... CRule

➤

➤ Committee Hearings ... CH

➤

➤ Committee Reports ... CR

➤

➤ Executive Sessions ... ES

➤

➤ Hearing Records ... HR

➤

➤ Miscellaneous ... Misc

➤ 97hr\_JC-Fi\_Misc\_6-23-98 Mtg\_pt06

➤ Record of Comm. Proceedings ... RCP

➤

June 23, 1998

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STATE OF WISCONSIN  
DEPARTMENT OF VETERANS AFFAIRS



30 West Mifflin Street, P.O. Box 7843, Madison, WI 53707-7843  
(608) 266-1311 FAX (608) 267-0403  
1-800-947-8387 (WIS VETS)  
Tommy G. Thompson, Governor  
Raymond G. Boland, Secretary

June 1, 1998

Senator Timothy Weeden, Co-Chair  
Representative John Gard, Co-Chair  
Joint Committee on Finance

Dear Senator Weeden and Representative Gard:

The Department of Veterans Affairs currently rents the basement, first floor, part of the second floor and fifth through eight floors of the office building located at 30 West Mifflin Street in Madison, Wisconsin. The space in the basement and first and second floors houses the Wisconsin Veterans Museum's operations. The space on the fifth through eighth floors is occupied by the department's operations and administrative staff. Because of the availability of vacant space in the building, the department has an opportunity to address current space needs for both our operating units and the second phase of a planned museum expansion. It should be noted that the museum expansion was approved as part of the state's 1997-99 Capital Budget. However, the expenditure authority to cover the additional rent costs were not included in the 1997-99 Biennial Budget.

#### Request

The Department of Veterans Affairs requests that the Joint Committee on Finance approve an increase in expenditure authority in FY 99 of \$62,800 SEG in Appropriation 20.485 (2) (wd), Operation of Wisconsin Veterans Museum, \$138,700 SEG in Appropriation 20.485 (2) (u), Administration of Loans and Aids to Veterans, \$176,500 SEG in Appropriation 20.485 (3) (s), General Program Operations and \$105,500 GPR in Appropriation 20.485 (2) (c), Operation of Wisconsin Veterans Museum. The requested expenditure authority is needed to cover the additional rent and security costs, as well as the associated cost of equipment and furniture related to the proposed expansion. It is also requested that the following amounts be included in the base budgets of each of the following appropriations: \$6,300 in Appropriation 20.485 (2) (wd), \$66,600 in Appropriation 20.485 (2) (u), \$84,700 in Appropriation 20.485 (3) (s), and \$105,000 in Appropriation 20.485 (3) (s). The increased expenditure authority will have minimal impact on the cash flow of either the Veterans Trust Fund or the Mortgage Loan Repayment Fund. A detailed budget for the second and ninth floor expansions is attached.

#### Background

##### Second Floor Museum Expansion

The department completed the first phase of the planned expansion of the Wisconsin Veterans Museum in FY 97. That phase of the expansion involved the relocation of the museum's offices from the basement to the second floor. The space vacated in the basement was used to provide additional storage space for the museum's growing collection of military artifacts, manuscripts and library holdings. A reading room was also created in the basement for the public to use when viewing the museum's manuscript collection.

The second phase of the museum expansion on the second floor involves leasing an additional 4,427 square feet of space for a multi-purpose area (2,700 SF) and a sales program inventory/storage area (500 SF). The balance of the leased space is for circulation (1,227 SF). The multi-purpose area would have seating for 150+ individuals and the audio/visual equipment needed for presentations to large groups.

The success of the museum has led to increased demands for services, public programs, and more varied merchandise for the museum store. As part of the educational mission of the museum, WVM has been hosting an annual series of programs and lectures that are designed to increase public awareness of the sacrifices made by our veterans. This year the lecture series consists of 14 presentations. In the past these presentations have typically been held in the large hearing rooms at the Capitol or in the auditorium of the State Historical Society on the UW campus. Both of these alternatives are inadequate. The hearing rooms at the Capitol often lack the space and the audio/video equipment needed for the presentations. The ability to have the lecture series at the proposed facility would allow the museum to more effectively publicize the lecture series and increase the revenues from gift shop sales following the presentations.

Last year, a total of 25,806 students from 485 schools toured the museum. To enhance the educational experience students receive from the tour, many of the schools request pre- and post tour orientations. The proposed multi-purpose area will allow the museum to provide such orientations to multiple groups at the same time. University classes also routinely visit the museum and many would also like to have space available for pre- and post museum tour learning.

Various veterans and civic organizations have likewise requested presentations at the museum. Conferences and workshops are also among the likely uses of the multi-purpose room space being requested here. There is presently no space in the Veterans Museum area to accommodate these activities.

The WVM Foundation, a non-profit fund raising organization, also sponsors the types of programs and events described. The future growth of the Foundations capabilities is seriously restricted by the limited space available at the museum.

The popularity of the WVM has increased substantially since it opened five years ago. It is time to expand our ability to meet growing public interest in the history of the citizen soldiers of Wisconsin.

Space needs for both historical collections and retail storage for the WVM have increased substantially as well. Under the proposed expansion, storage space for the museum store's inventory will be moved from the basement to the second floor. This will free up an additional 500 square feet of much needed space for collections storage.

#### Ninth Floor Expansion

The Wisconsin Department of Veterans Affairs (WDVA) proposes to lease 6,500 sq. ft. of presently unoccupied space on the 9th floor of the 30 West Mifflin Street Building. The proposed expansion to the ninth floor is necessary to accommodate the reorganization and expansion of certain programs that have resulted from actions initiated through the Department's Strategic Business Plan. The information presented below will describe in more detail the department's needs and proposed uses for the new space and the benefits to be achieved.

In total, this floor contains 6,500 sq. ft. of leased space less the area taken for mechanicals, two elevator shafts, and two stairways. The newly leased space will be utilized by the Department as follows:

- Relocate the Office of Policy, Planning and Budget (OPPB)
- Relocate a work group of the Division of Veterans Programs
- Relocate Purchasing and Central Office Supply Storage
- Create a consolidated Information Technology Storage, Assembly, and Testing Function
- Create a Multi-Purpose Training Room
- Create a 16-20 person Conference Room
- Upgrade two existing rest rooms to be handicapped accessible

As previously stated, the prime reason for this proposal is to create new office space to accommodate department needs that could otherwise not be met. A department reorganization plan that has been approved by the Departments of Administration and Employee Relations reallocates certain positions to different or new functions to better deploy staffing to meet the department's Business Goals. This action creates space needs in certain areas that must be met either through reallocation of adjacent space or relocation of the function in total to a presently vacant area or break-up of a functional work team which could be detrimental to performance. The Department has evaluated these options and has found that the total space currently leased by the Department in this building is insufficient to accommodate this re-organization in an effective way. In addition, because of growth in certain functions since the Department's move to this building in December of 1990, space which had originally been programmed for an employee break room and storage has been converted to meet business needs. This plan will reallocate space so that those originally programmed space needs are again met.

As part of the department's recent reorganization, two additional staff have been assigned to the Office of Policy, Planning and Budget (OPPB). The space presently occupied by OPPB staff on the eighth floor is not large enough to accommodate the additional staff. Relocation of the nine OPPB staff to the ninth floor will preserve the unit work group and provides more available space for a budget library, greater filing space. The work of this staff requires the privacy and security best and most economically provided through small private offices.

The reorganization will result in significant reallocations in Division of Veterans Programs (DVOP). As a result of the additional space provided on ninth floor, it will be possible locate work units so that assigned staff can be located within the same general area on the same floor.

The purchasing and central office supply storage function, which has two staff and involves the storage of all central office supplies, has already been relocated and downsized from 520 sq. ft. to the 345 sq. ft. it currently occupies. This current space was taken from space originally programmed for storage of veterans discharge and loan and grant records. This has left both functions cramped in space inadequate to effectively meet the business needs of the department. Relocation of the Purchasing and Central Office Supply Storage to the ninth floor will provide ample and secure space for the central supply function and allow the vacated fifth floor space to be reintegrated to the records function as originally programmed. The plan is to reconfigure the records area to accommodate new systems work units that allow for more efficient work flows.

Since moving into this building the space required to accommodate information technology (IT) functions has grown immensely. As a result, these functions have received whatever space was available. For example, computer components are currently stored in a basement room without a controlled environment. Similarly, in order to provide space for computer assembly and testing it has been necessary to an employee break room. This proposal provides ample and secured space on the ninth floor to accomplish these functions in an effective manner. The vacated space will be returned to an employee break room on the fifth floor and storage for other things which have less environmental control requirements in the basement.

One of the major initiatives launched as a result of the department's Strategic Business Plan is to ensure that the employees of the department are well trained to carry out their job functions. The reorganization plan reallocates a position to serve as Training Officer for the department. This proposal creates a new multi-purpose training room that will have suitable audio-visual equipment and training workstations to accommodate multiple training objectives. Six of the training stations will be equipped with computer monitors and keyboards to facilitate training in the department's computerized business applications as well as standard desktop user infrastructure (PC operating environment, word processing, spreadsheet, data base, messaging, etc.) In addition to serving department employees, this room will be utilized periodically to training County Veteran Service Officers (CVSOs) in the WDVA business applications. It is anticipated that this training room would be utilized by other state agencies as well.

For both the second and ninth floor expansions, the costs of the renovation will be born by the owner. Those costs will be built into the monthly lease rate for both the new and existing space that the department leases in the building. This is consistent with how the previous renovations of office space for the department in this building and the construction of the museum were financed.

How Request Meets Statutory Criteria for s. 13.10

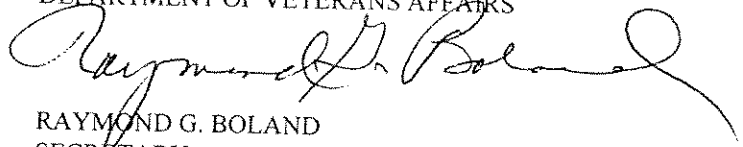
The request meets the criteria under s. 13.101 (3) because of the following reasons:

- Without the requested increase in expenditure authority, the department can not meet its current and future space needs. The state currently leases the vacant space on the 9th and 10th floors. The current state lease for that space expires at the end of June.
- The department had attempted to have an amendment introduced that would have included the funding in the recently passed.
- Budget Adjustment Bill. However, the department was advised by the State Budget Office and members of the Joint Committee on Finance that the s. 13.10 process was more appropriate vehicle for obtaining the necessary funding.
- No other funds are available to fund the additional rents costs in FY 99.

Thank you for your consideration of this matter. If you have any questions or need additional information, please contact John Scocos at 266-3081.

Sincerely,

DEPARTMENT OF VETERANS AFFAIRS



RAYMOND G. BOLAND  
SECRETARY

Expenses for Additional Space on 2nd and 9th Floors of 30 W. Mifflin St.  
FY 1999

2nd Floor:

Additional Space:	Sq. feet	Cost per sq. foot	Monthly cost	Number of payments	Total
Rent	4,427	\$17.77	\$6,555.65	11	\$72,112.14
Security	4,427	\$0.34	\$126.44	11	\$1,390.83

Increased Cost of Original Museum Space:	Sq. feet	Increased cost per sq. foot	Increased monthly cost	Number of payments	Total
Rent increase	17,373	\$1.98	\$2,864.73	11	\$31,512.08

Item	Number	Cost per Unit	Total Cost
Refrigerator	1	\$600	\$600
Microwave	1	\$250	\$250
Tables 8' x 10'	10	\$750	\$7,500
Chairs	160	\$63	\$10,080
Conference table	1	\$800	\$800
Chair dollies	10	\$120	\$1,200
Phone units (12 line hand units)	3	\$200	\$600
Phone expansion card			\$300
Ceiling mounted video	1	\$10,000	\$10,000
Ceiling mounted screen	1	\$2,000	\$2,000
Slide scanner computer	1	\$10,000	\$10,000
Audio visual controls	1	\$5,000	\$5,000
Sound system	1	\$2,500	\$2,500
Moveable seating platform	1	\$12,000	\$12,000
			<u>\$62,830</u>

**GPR Appropriation 203 Increase:** (10% of furniture and equipment costs are considered to be on-going replacement and maintenance costs.)

Rent and security      **\$105,015**

**SEG Appropriation 263 Increase:**

One-time	<b>\$56,547</b>
On-going operational costs	<b>\$6,283</b>
	<u><b>\$62,830</b></u>

9th Floor:

Total of new space plus renovation costs:	Sq. feet	Cost per sq. foot	Monthly cost	Number of payments	Total
Rent	6,500	\$17.46	\$9,457.50	12	\$113,490.00
Security	6,500	\$0.34	\$184.17	12	\$2,210.00

Increased Cost of Original Cental Office Space:

Cost spread over these sq. feet	Additional cost per sq. foot	Increased monthly cost	Number of payments	Total
26,000	\$0.67	\$1,451.67	12	\$17,420.00

One-time costs for furniture and equipment:

Training Room-9th Floor

Item Description	Qty	Unit Cost	Total
Training PCs	6	\$ 1,850	\$ 11,100
Trainer PC	1	\$ 1,850	\$ 1,850
Training room file server	1	\$ 8,000	\$ 8,000
Training view-thru workstations	6	\$ 1,000	\$ 6,000
PC software	7	\$ 1,000	\$ 7,000
Training file server operating system	1	\$ 3,000	\$ 3,000
Network cabling (cat 5)	1	\$ 3,000	\$ 3,000
Additional training tables	4	\$ 250	\$ 1,000
Chairs	15	\$ 300	\$ 4,500
Projection system (overhead)	1	\$ 5,500	\$ 5,500
Projection screen	1	\$ 500	\$ 500
TV -35"	1	\$ 1,500	\$ 1,500
Presentation cart - TV	1	\$ 750	\$ 750
VCR	1	\$ 300	\$ 300
Projection cart - VCR	1	\$ 625	\$ 625
Training room work table	2	\$ 250	\$ 500
Training room bookcase	2	\$ 150	\$ 300
Training room storage cabinet	2	\$ 250	\$ 500
Instructor's podium & workstation	1	\$ 400	\$ 400
File cabinet	1	\$ 500	\$ 500
White board (erasable)	2	\$ 400	\$ 800
<b>Total</b>			<b>\$ 57,625</b>

IT STORAGE AREA

Item Description	Qty	Unit Cost	Total
Portable racks to store and move hardware.	3	\$1,667	\$ 5,001
Work tables	4	\$ 250	\$ 1,000
Chairs	2	\$ 150	\$ 300
Cabling	1	\$ 500	\$ 500
<b>Total</b>			<b>\$ 6,801</b>

Item Description	Qty	Unit Cost	Total
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Modular workstations	14	\$ 5,000	\$ 70,000
Desk	13	\$ 500	\$ 6,500
Desk Chair	17	\$ 400	\$ 6,800
Side Chair	17	\$ 125	\$ 2,125
File Cabinet	17	\$ 250	\$ 4,250
Book case	17	\$ 140	\$ 2,380
Computer workstation	13	\$ 300	\$ 3,900
Conference Table	1	\$ 800	\$ 800
Side chairs for conference table	12	\$ 400	\$ 4,800
Phone units & line installation	20	\$ 150	\$ 3,000
Conference phone	1	\$ 375	\$ 375
Photocopier rental	1	\$ 2,835	\$ 2,835
Fax machine rental	1	\$ 765	\$ 765
Printer	1	\$ 5,000	\$ 5,000
Refrigerator	1	\$ 600	\$ 600
Microwave	1	\$ 250	\$ 250
15" cutting board	1	\$ 160	\$ 160
Heavy duty stapler	1	\$ 86	\$ 86
Pencil sharpener	1	\$ 52	\$ 52
Paper Punch	1	\$ 50	\$ 50
Clock	3	\$ 41	\$ 123
Bookshelves	4	\$ 453	\$ 1,812
Mobile plan stand	1	\$ 320	\$ 320
Wire Roll File	1	\$ 95	\$ 95
Fax machine stand	1	\$ 200	\$ 200
Printer stand	1	\$ 320	\$ 320
		<b>Total</b>	<b>\$ 117,598</b>

**Total SEG Increase for 9th Floor:** (10% of furniture and equipment costs are considered to be on-going replacement and maintenance costs.)

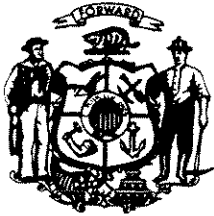
Rent and security	\$133,120
One-time	\$163,822
On-going operational costs	\$18,202
	<u>\$315,144</u>

**SEG Appropriation 261 Increase:**

Rent and security	\$58,573
One-time	\$72,082
On-going operational costs	\$8,009
	<u>\$138,663</u>

**SEG Appropriation 363 Increase:**

Rent and security	\$74,547
One-time	\$91,740
On-going operational costs	\$10,193
	<u>\$176,481</u>



117

**TOMMY G. THOMPSON**

**Governor  
State of Wisconsin**

June 1, 1998

The Honorable Timothy Weeden, Co-Chair  
Joint Committee on Finance  
1 East Main Street, Suite 203  
Madison, WI 53703

The Honorable John Gard, Co-Chair  
Joint Committee on Finance  
State Capitol, Room 316 North  
Madison, WI 53702

Dear Senator Weeden and Representative Gard:

RE: Stripper XVIII 1998 Oil Overcharge Plan

I am pleased to transmit my Stripper XVIII 1998 Oil Overcharge Plan for consideration by the Joint Committee on Finance (JCF) at the next s. 13.10, Wis. Stats., meeting. As required by s. 14.065, Wis. Stats., I am also forwarding a copy to the Chief Clerks of the Senate and the Assembly.

This Plan allocates \$1,590,426 (\$745,244 of new Stripper monies and \$845,182 of reallocated monies); helps low income citizens stay warm; develops Wisconsin's renewable energy resource base; makes our buildings and homes more energy efficient; protects the environment; and, educates our children regarding the wise use of energy. This Plan also modifies the Stripper XIV Small Business Energy Efficiency Program to make it accessible to more small businesses.

In addition to the JCF's action, the U.S. Department of Energy must also conduct a review to determine if Wisconsin's Plan conforms with Federal requirements and established definitions of restitution. The Department of Administration staff will be available to provide additional information that may be required. I appreciate your usual support.

Sincerely,



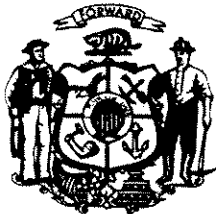
TOMMY G. THOMPSON  
Governor

Enclosure

cc: Mark D. Bugher, Secretary  
Department of Administration

Nathaniel E. Robinson, Administrator  
Division of Energy and Intergovernmental Relations





**TOMMY G. THOMPSON**

**Governor  
State of Wisconsin**

June 1, 1998

Mr. Donald J. Schneider, Senate Chief Clerk  
Wisconsin State Senate  
One East Main, Suite 402  
P.O. Box 7882  
Madison, WI 53707-7882

Dear Mr. Schneider:

RE: Stripper XVIII 1998 Oil Overcharge Plan

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Sincerely,

  
TOMMY G. THOMPSON  
Governor

Enclosure

cc: Mark D. Bugher, Secretary  
Department of Administration

Nathaniel E. Robinson, Administrator  
Division of Energy and Intergovernmental Relations





**TOMMY G. THOMPSON**

**Governor  
State of Wisconsin**

June 1, 1998

Mr. Charles R. Sanders, Assembly Chief Clerk  
Wisconsin State Assembly  
One East Main, Suite 402  
P.O. Box 8952  
Madison, WI 53707-8952

Dear Mr. Sanders:

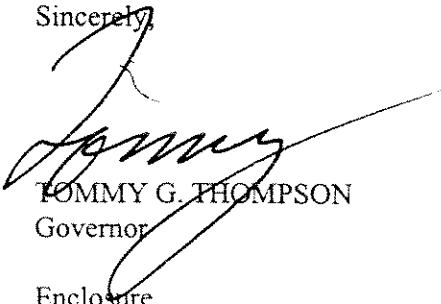
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Sincerely,



TOMMY G. THOMPSON  
Governor

Enclosure

cc: Mark D. Bugher, Secretary  
Department of Administration

Nathaniel E. Robinson, Administrator  
Division of Energy and Intergovernmental Relations



**GOVERNOR'S 1998 OIL OVERCHARGE PLAN**

Stripper XVIII Funds: \$1,590,426 Available

Prepared by the Department of Administration  
Division of Energy and Intergovernmental Relations

May 28, 1998

## GOVERNOR'S 1998 OIL OVERCHARGE PLAN

### 1998 Plan At-A-Glance

The Governor's 1998 Oil Overcharge Plan (Stripper XVIII), proposes allocation of \$1,590,426 (\$745,244 of new Stripper funds and \$845,182 of reallocated monies). The Plan is designed to help low income citizens stay warm; develop Wisconsin's renewable energy resource base; make our buildings and homes more energy efficient; protect the environment; and, educate our children regarding the wise use of energy. This Plan also modifies the Stripper XIV Small Business Energy Efficiency Program to make it accessible to more small businesses.

The recommended programs, each summarized in the Plan, are as follows:

Recommended Programs #	New Monies	Reallocated Monies	Oil Overcharge Monies
1) Campaign to Keep Wisconsin Warm	\$ 171,984	\$ 528,016	\$ 700,000
2) Community Services Energy Efficiency Rewards	\$ 402	\$ 254,598	\$ 255,000 ^
3) Renewable Energy Assistance Program (REAP)	\$ 200,000		\$ 200,000 ^
4) Home Energy Rating/Energy Efficiency Financing	\$ 150,000		\$ 150,000 ^
5) Milwaukee Low Energy Housing Redevelopment	\$ 102,149	\$ 22,851	\$ 125,000
6) K-12 Energy Efficiency Program (KEEP)	\$ 10,283	\$ 39,717	\$ 50,000
7) Environmental Monitoring of Energy Impacts	\$ 50,000		\$ 50,000
8) IES Energy Education Partnership	\$ 50,000		\$ 50,000
9) Energy Program Management	\$ 10,426		\$ 10,426 *
Total	\$ 745,244	\$ 845,182	\$ 1,590,426

# Dollars rounded, see program description for precise figure.

\* Program also receives available interest.

^ Wisconsin Energy Bureau may use up to 10 percent of these monies for delivery of program services.

### PROGRAM MODIFICATIONS

#### Stripper XIV: Small Business Energy Efficiency Program

Change the program to increase the number of Wisconsin small businesses eligible to participate in the program. Monies remaining total \$179,180.57.

## PROGRAM SUMMARY

### 1. Campaign to Keep Wisconsin Warm

\$700,000

These funds will be used by Energy Services, Inc. (ESI) over a two-year period, to match \$700,000, dollar-for-dollar, with privately raised funds. The funds raised will be used statewide to supplement the local Low Income Home Energy Assistance Program (LIHEAP) crises-assistance payment benefits for low-income Wisconsin households. Benefits will be targeted to high-risk households with elderly, disabled persons and children who are eligible for the LIHEAP. This project will raise matching contributions from businesses, utility customers, community organizations and individuals throughout the state to *increase* funding available to meet low-income crises energy assistance needs.

ESI successfully piloted this concept in Dane County, by using \$200,000 of Stripper XVII monies. This initiative takes the concept statewide and will significantly increase the monies provided by the state that either are currently allocated to the statewide LIHEAP program or could be allocated to that program. Currently, the LIHEAP monies are administered by the Department of Administration (DOA), Division of Housing (DOH). Prior to releasing funds to the ESI, the Administrator of the DOA/DOH shall certify that:

- A. Releasing the monies to ESI will result in a significant increase in the overall funds available for energy assistance statewide.
- B. All funds, including the raised match, will be distributed statewide in an equitable manner and in coordination with the state's LIHEAP program.

The DOA/DOH Administrator's certifications will also indicate the amount of funds being released to ESI as match. ESI will be paid a program delivery fee of 5 percent of the oil overcharge monies for which matching monies are raised. The match requirement is \$1 of contributed monies, for every oil overcharge dollar released. Oil overcharge matching funds will be released only after ESI has certified that specific amounts of money have been raised.

Funding Sources for the Campaign to Keep Wisconsin Warm			
Source	Program	Monies	Reason
Stripper III	Community Energy Conservation Demonstration	\$ 28,015.68	Completed
Exxon	Low Income Home Energy Conservation Program	\$ 500,000.00	Reallocation
Stripper XVIII	New Stripper XVIII Monies	\$ 171,984.32	New
TOTAL		\$ 700,000.00	

### 2. Community Services Energy Efficiency Rewards

\$255,000

This program will provide rewards to eligible child care and community based residential facilities (CBRF) for energy efficient improvements based on energy ratings and for replacement of appliances with energy efficient (EPA energy star) units. The existing Home Performance Rating Rewards Program will be expanded to include this program. Depending on the improvement in the energy rating, reward amounts may range between \$350-\$1000

based on the current rewards program. A contractor will be competitively solicited to provide the energy rating service as well as issue the rewards.

In the past, oil overcharge monies have supported four separate child care programs. However, with W-2 resulting in an increased emphasis on child care facilities, additional funding of energy efficiency improvements is desirable. Existing facilities and facilities that are in the process of being renovated/retrofitted will be eligible under this program. As shown in the table below, this program will be funded from a variety of sources.

<b>Funding Sources for Community Services Energy Efficiency Rewards</b>			
<b>Source</b>	<b>Program</b>	<b>Monies</b>	<b>Reason</b>
Shamrock II	Child Care Facility Energy Efficiency Grants	\$ 794.33	Completed
Stripper II	Nursing Home Energy Efficiency Grants	\$ 143,060.46	Reallocated
Stripper XIV	Nursing Home Energy Efficiency Grants	\$ 18,116.32	Reallocated
Stripper VII	Child Care Facility Energy Efficiency Grants	\$ 18,006.76	Modified
Stripper XIV	Community Residential Based Facilities	\$ 74,619.92	Modified
<b>Stripper XVIII</b>	<b>New Stripper XVIII Monies</b>	<b>\$ 402.21</b>	<b>New</b>
<b>TOTAL</b>		<b>\$ 255,000.00</b>	

### **3. Renewable Energy Assistance Program \$200,000**

The Renewable Energy Assistance Program (REAP) supports the cost effective development of Wisconsin's renewable energy resources by offering technical assistance and construction grants to firms and institutions wishing to build or modify renewable energy systems in Wisconsin. This effort has supported 139 renewable energy projects over the past seven years.

In the past, the legislature has chosen to continue this program by allocating oil overcharge monies in 1990, 1992, 1993 and 1994. For the program to continue, additional oil overcharge monies are needed. This program has assisted and will continue to support business, municipalities, state agencies, tribal governments and non-profit organizations.

### **4. Home Energy Rating/Energy Efficiency Financing \$150,000**

This effort broadens the area of the state served by the *Home Performance Ratings of Wisconsin* program and will be leveraged with the Department of Energy funded Builder Partnership Program. Rating and financing services will be continued and expanded beyond the 15 county areas currently served (surrounding and including Milwaukee, Madison and Green Bay) to include the entire Fox Valley and possibly, the Janesville-Beloit areas. Training and incentives will be provided to builders, lenders, and realtors who sign-on as program partners. Additional home energy raters will be trained to serve the expansion areas.

The energy rating provides a uniform way to compare the energy efficiency of homes, identify and rank cost effective energy efficiency improvements, and establish market value for energy efficient features in a home. The rating provides an incentive for homeowners to increase the energy efficiency of their existing homes and to purchase more energy efficient new homes.

5. Milwaukee Energy Efficient Housing Redevelopment

\$125,000

This project will provide low cost, revolving loans to cover the cost to build or rehabilitate housing to an energy efficient standard established by the DOA Energy Bureau. These loans will be used only with housing units in Milwaukee that are owned, sold or rented principally by low-income minorities or single parents in distressed neighborhoods being revitalized.

A collaborative effort will consist of the Rebuild Wisconsin efforts of the DOA Energy Bureau and Argonne National Laboratory; the City of Milwaukee's neighborhood revitalization efforts; the University of Wisconsin's School of Architecture and Urban Planning; and, the weatherization expertise of Opportunities Industrialization Center of Greater Milwaukee.

The City of Milwaukee, Department of Development rehabilitates about 850 residential units a year in inner-city Milwaukee for rental and sale to low/moderate income and first time homebuyers and for owner-occupied units. Milwaukee's Targeted Investment Neighborhood (TIN) Program is the key program used for this rehabilitation activity. The City currently has six TIN project areas. Approximately 57 percent of the construction work is performed by minority business enterprises (MBE). There are also eight MBE design firms (six women-owned and two minority-owned) involved through the University.

The loans will be up to \$3,000 per dwelling unit with low interest. The monthly energy savings should be more than the monthly loan payments. The loans can be used with both rehabilitated and newly constructed buildings. Loan repayments will be used for new loans. \$15,000 will be provided to the University of Wisconsin Milwaukee for the development of design specifications and analysis to meet low energy standards established by the project.

The project will be based on the 10-year experience of Chicago's Superinsulation Rental Rehab Program and technical assistance currently in place for Wisconsin with funding from the U.S. Department of Energy's Argonne National Laboratory. Other potential partners and/or underwriters include Wisconsin Electric Power Company, Wisconsin Partnership for Housing Development, Inc., and WHEDA. Successful approaches from this program will be transferred to other relevant programs under the Energy Bureau's Low Energy Rental Rehabilitation Program. The City of Milwaukee will partner with its Neighborhood Improvement Development Corporation for program implementation.

**Funding Sources for Milwaukee's Low Energy Housing Redevelopment Project**

Source	Program	Monies	Reason
Stripper I	Business Energy Efficiency Incentives	\$ 4,912.05	Completed
Stripper V	Fuel Saving Furnaces for Farmers	\$ 4,856.53	Completed
Stripper XVI	Weyauwega Disaster Recovery Assistance	\$ 834.86	Completed
Shamrock I	Rental Energy Conservation Incentive Program	\$ 12,247.89	Completed
Stripper XVIII	New Stripper XVIII Monies	\$102,148.67	New
TOTAL		\$125,000.00	

6. **K-12 Energy Efficiency Program (KEEP)** **\$50,000**
- Wisconsin's K-12 Energy Education Program (KEEP) is an innovative, Wisconsin-specific energy education program. The program provides teachers at all grade levels and in all subject areas with real-world energy education activities. Teachers can use KEEP activities to: A) Fulfill DPI standards in various subject areas; B) Demonstrate the ties between science and social science topics; C) Facilitate a more integrated curriculum; and, D) Create hands-on learning opportunities for their students. Most importantly, teachers can use KEEP to prepare the next generation of Wisconsin citizens, consumers and business leaders to make wise energy decisions -- decisions that will improve Wisconsin's economy and environment well into the future.

In Phase 1, the basic energy educational materials for grades K-12 were completed. Phase 2 focused on developing a college level educational course for teachers and is assisting 600 public and private school teachers in taking this course by paying for their course tuition and course materials and providing a small stipend. In Phase 3, the oil overcharge funding -- along with \$425,000 of Wisconsin Energy Center funds -- will provide enhancements to KEEP (focusing on K-3 and high school students) and inservice training for an additional 500 Wisconsin school teachers. The \$50,000 of oil overcharge monies will pay for the course tuition and materials for approximately 227 of the 500 additional teachers taking this college course.

Because there is a need to increase the number of minorities pursuing advanced education and employment in fields related to the wise use of energy and its production, these oil overcharge monies will be directed toward paying the tuition of teachers who either have or anticipate having at least 35 percent of their class composed of minority students. This \$50,000 oil overcharge program will be funded by reallocating \$39,717.37 of Diamond Shamrock II Fuel Saving Furnaces for Farmers and \$10,282.63 of new Stripper XVIII monies.

7. **Environmental Monitoring of Energy Impacts** **\$50,000**

This program will provide the second year of state match for a potential three year, annual \$150,000 contribution by Wisconsin utilities in cooperation with the Electric Power Research Institute. The first year of state match (\$50,000) was provided using Stripper XVI oil overcharge monies. These monies are used to monitor sensitive natural resources that may be impacted by energy generating activities. Elements being monitored include sulfur dioxide, nitrogen dioxide and mercury in the air, water and biota of Wisconsin. The data gathered is helping to determine the impact of electricity generation on the environment and evaluate the effectiveness of existing pollution prevention and clean-up efforts.

8. **IES Energy Education Partnership** **\$50,000**

This program continues the internship program at the University of Wisconsin-Madison's Institute for Environmental Studies (IES) for two additional years. This partnership is intended to advance graduate student energy education by having the Energy Bureau provide for an IES student on a part-time basis. Working with the Energy Bureau exposes the student to a variety of real world energy policy issues and the techniques used to address them.

**9. Energy Program Management**

**\$10,426 plus interest**

The Stripper IV, XV, XVI, XVII Oil Overcharge Plans allocated the interest (and the residual Stripper XVIII monies) to assist the Wisconsin Energy Bureau in continuing its mandated oil overcharge activities and to promote energy conservation in Wisconsin. This program continues that support by allocating Stripper XVIII interest and residual monies to this program.

**PROGRAM MODIFICATION**

**Stripper XIV – Small Business Energy Efficiency Program**

Total monies remaining equal \$179,180.57.

Currently, this program is limited to small businesses not served by a major utility. The proposed modification expands the number of businesses eligible for technical assistance in reducing their energy usage. The new eligibility requirements include business Standard Industrial Classifications between 20 and 39. At least three of the following criteria must be satisfied:

- A. Have gross annual sales of \$75 million or less.
- B. Have an annual energy bill of \$1.75 million or less.
- C. Have a work force of less than 500.
- D. Do not have in-house energy expertise.

This program is needed for three reasons. First, utilities are typically more willing to provide technical assistance to large industrial customers rather than small businesses. Second, the move towards utility deregulation has utilities moving-out of the Demand Side Management (energy efficiency) area. Energy service companies or other third parties are expected to fill the gap left by utilities. However, this has not occurred yet, which leaves small business with no low-cost technical assistance options. Third, the U.S. DOE Industrial Assessment Center which is designed to assist small businesses, is limited to a 150 mile radius of Milwaukee. Therefore, many Wisconsin small businesses are not eligible to receive technical assistance.

**PROGRAM REALLOCATIONS**

**I. Stripper XVIII – Milwaukee Low Energy Housing Redevelopment**

Monies are reallocated to this program from the Stripper I Business Energy Efficiency Incentives program (\$4,912.05), the Stripper V Fuel Saving Furnaces for Farmers program (\$4856.53), the Stripper XVI Weyauwega Disaster Recovery Assistance

program (\$834.86) and the Shamrock I Rental Energy Conservation Incentive Program (\$12,247.89). Each of these programs is completed.

## **II. Stripper XVIII – Community Services Energy Efficiency Rewards**

Major funding for this program comes from reallocating monies from the Nursing Home Energy Efficiency Grants (\$161,176.78). The thrust of the Nursing Home Programs was to help non-profit institutions. However, most non-profits receive reimbursement for their expenses from Medicaid.

The Stripper VII Child Care program (\$18,006.76) is being blended into this new program, which allows for additional appliances, such as refrigerators, to be eligible for grants. The existing Community Residential Based Facilities Program (\$74,619.92) is also being merged into this new program which makes eligible, additional facilities and allows funding of energy efficient appliances during construction phases, before these facilities are licensed. Also, \$794.33 from the completed Diamond Shamrock II Child Care program is reallocated to this program.

## **III. Stripper XVIII – Campaign to Keep Wisconsin Warm**

\$500,000 of Exxon LIHEAP monies will be reallocated to the Keep Wisconsin Warm program. Also, the remaining \$28,015.68 of Stripper III Community Energy Conservation Demonstration monies are reallocated to the Keep Wisconsin Warm program. The Community Energy Conservation Demonstration program is completed.

## **IV. Stripper XVIII – Energy Center of Wisconsin (KEEP)**

The remaining \$39,717.37 of Diamond Shamrock II Fuel Saving Furnaces for Farmers monies are reallocated to the KEEP program. The Fuel Saving Furnaces for Farmers program is completed. All additional interest accumulated by this program will go to the REAP program.



Tommy G. Thompson  
Governor

Michael J. Sullivan  
Secretary



State of Wisconsin  
Department of Corrections

Mailing Address  
149 East Wilson Street  
Post Office Box 7925  
Madison, WI 53707-7925  
Telephone (608) 266-2471

June 2, 1998

The Honorable Timothy Weeden, Co-Chair  
The Honorable John Gard, Co-Chair  
Joint Committee on Finance  
1 East Main Street, Room 230  
Madison, WI 53707-7882

JUN 02 1998

Dear Senator Weeden and Representative Gard:

Enclosed you will find two \$13.10 requests from the Department of Corrections.

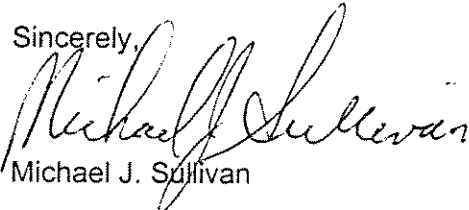
One request is for a one-time transfer in FY98 of \$1,496,200. The transfer would be from appropriation §20.410(1)(ab) Intergovernmental Corrections to §20.410(3)(cg) Serious Juvenile Offender. The transfer would pay for a deficit that has been incurred in the Department's Division of Juvenile Correction's Serious Juvenile Offender appropriation.

The second request is for approval to extend some existing contracts, to approve one new contract, and for authority to contract for 1,520 additional out of state beds. In order to fully fund contracts which are already approved, and to partially fund the new beds requested, the department is requesting transfers from §20.865 (4) (a), §20.410 (1) (a), (b), (d), and (m) to §20.410 (1)(a) and (1)(ab) for a total of \$24,592,900.

These beds are urgently needed by the department, which is experiencing rapid population growth. The Division of Adult Institutions is in the process of visiting the sites and expects to complete the visits by July 20, 1998.

Thank you.

Sincerely,

  
Michael J. Sullivan

cc: Joint Committee on Finance  
Department of Administration  
Legislative Fiscal Bureau

Attachments



Tommy G. Thompson  
Governor

Michael J. Sullivan  
Secretary



## State of Wisconsin Department of Corrections

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June 2, 1998

### MEMORANDUM

TO: The Honorable Timothy Weeden, Co-Chair  
Joint Committee on Finance

The Honorable John Gard, Co-Chair  
Joint Committee on Finance

FROM: Michael J. Sullivan, Secretary  
Department of Corrections

SUBJECT: §13.10 Request

The Department of Corrections requests a transfer of \$1,496,200 in FY98 from appropriation §20.410(1)(ab) Intergovernmental Corrections Agreements to 20.410(3)(cg) to pay for a deficit in the Serious Juvenile Offender (SJO) appropriation.

#### Background

1993 WI Act 16 created a Violent Offender appropriation which required the State to pay correctional costs for juveniles adjudicated as violent juvenile offenders, effective January 1, 1995. 1995 WI Act 27 enacted the Serious Juvenile Offender Program which became effective on July 1, 1996. This SJO appropriation 20.410(3)(cg) num. 304 pays all costs, institution, alternate care, corrective sanctions, and aftercare for juveniles who are given the following dispositions: SJOs, Violent Offenders, extended, and waived jurisdictions.

1997 WI Act 27 funded appropriation 20.410(3)(cg) num. 304 at \$6,569,600 for FY98. This total was derived by multiplying the daily rates of Juvenile Correctional Institutions (JCI), Alternate Care, Aftercare, and Corrective Sanctions by the projected population for each type of disposition. The Department assumed that the juveniles with Violent Offender, waived and extended dispositions would be released from the institutions and placed in the

field earlier than they have been. The average daily population (ADP) in JCI's for these juveniles was projected at 104, but was actually 122 through February and is expected to be 134 for the fiscal year. The ADP for field populations (Alternate Care, Aftercare, and Corrective Sanctions) was projected at 53. The ADP was 38 through February and is expected to be 36 for the fiscal year.

	Budgeted ADP	Projected ADP	Budgeted Cost	Projected Cost
JCI	104	134	\$ 5,710,702	\$ 7,380,563
Alternate Care	5	8	\$ 249,425	\$ 412,538
Aftercare	36	24	\$ 223,088	\$ 149,621
Corrective Sanctions	12	4	\$ 386,264	\$ 123,078
TOTAL:	157	170	\$ 6,569,600	\$ 8,065,800
Less Budgeted Cost:				(6,569,600)
13.10 Request:				\$ 1,496,200

The majority of juvenile services costs are shared between counties and appropriation 20.410(3)(cg). The Department is permitted by statute to carry over 2% of program revenue funds collected in excess of expenditures into the next fiscal year. The remainder is returned to the counties. If this request is not approved, it will decrease the amount that is refunded to the counties.

This appropriation is funded at \$10,813,200 in FY99. Given current trends, the Department is not projecting a deficit in FY99.

### Summary

The Department of Corrections requests a one-time transfer in FY98 of \$1,496,200 from §20.410(1)(ab) to §20.410(3)(cg) which will eliminate the deficit in the Serious Juvenile Offender appropriation.



Tommy G. Thompson  
Governor

Michael J. Sullivan  
Secretary



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Department of Corrections

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June 2, 1998

MEMORANDUM

To: The Honorable Timothy Weeden  
Co-Chair, Joint Committee on Finance

The Honorable John Gard  
Co-Chair, Joint Committee on Finance

From: Michael J. Sullivan, Secretary  
Department of Corrections

Re: S. 13.10 Request

- The Department of Corrections (DOC) has an existing 700 bed contract with 8 Texas jails, and requests that Upshur, Lamar and Henderson Counties and the city of Mansfield Jail be added to the contract. This will increase the number of beds in Texas by 540, which will bring the total available beds in Texas to 1,240. A copy of the contract is attached.
- The department requests authority to increase the existing contract with Corrections Corporation of America (CCA) by an additional 300 beds in Hardeman County, Tennessee, and to expand the contract with CCA for 480 beds in Sayre, Oklahoma. This will bring the total number of CCA beds to 1,980. A copy of the addendum to the CCA contract is attached.
- The Department of Corrections requests authority to enter into a new contract with the Virginia Department of Corrections for 200 beds for female inmates. It is anticipated that this contract will be very similar to the CCA contract, but the contract has not been finalized. The department requests permission to submit this contract for approval under the 14-day passive review process.

- The department requests position authority for 4.0 FTE and the following transfers to fully fund 2,785 contract beds which have already been authorized, to partially fund 1,520 newly identified beds and fund the 4.0 FTE to support the program:

<u>Funds</u>	<u>From</u>	<u>To</u>
\$ 15,207,700	s. 20.865 (4) (a)	s. 20.410 (1) (ab)
\$ 821,800	s. 20.410 (1) (m)	s. 20.410 (1) (ab)
\$ 6,185,200	s. 20.410 (1) (b)	s. 20.410 (1) (ab)
\$ 1,600,000	s. 20.410 (1) (d)	s. 20.410 (1) (ab)
\$ 400,000	s. 20.410 (1) (a)	s. 20.410 (1) (ab)
\$ <u>378,200</u>	s. 20.410 (1) (m)	s. 20.410 (1) (a)
<b>TOTAL \$ 24,592,900</b>		

### **Population Issues**

Inmate populations are increasing rapidly both due to increased admissions and reduced releases. From January to April, 1998, admissions averaged 602 per month versus an average of 519 per month for January to April in 1997.

In 1997 total inmate populations grew at an average rate of 151 per month. In the first four months of 1998, populations increased at a rate of 173 per month.

If the average monthly population continues to increase at current 1998 rates, there will be almost 17,000 inmates by December, 1998 and over 18,000 by June, 1999.

## **TEXAS JAIL BEDS**

### **Background**

On September 26, 1996, the Joint Committee on Finance approved the agreement between the Texas counties of Hood, Johnson, Palo Pinto and Comanche and the Wisconsin Department of Corrections to provide up to 700 beds for Wisconsin inmates in Texas county jails between October 15, 1996 and June 30, 1997. The committee further allowed the Department to submit additional names of counties for a 14-day passive review. The committee approved the addition of Red River and Titus counties on January 8, 1997, after a 14-day passive review.

In February of 1997, the Department requested that Franklin, Morris, Van Zandt and Ector counties be added to the existing contract. This request was subsequently modified to include Bowie County. After a hearing the Joint Committee on Finance approved this request on April 16, 1997.

Currently, the Department of Corrections has 700 inmates in eight Texas County jails. The names of the jails and the number of inmates located in each one are attached in the appendix to this request. These contracts have been renewed annually, and are now extended through 1999.

Three counties that were approved are no longer available. Ector County is no longer interested in contracting; Johnson County no longer has space available, and the department has removed inmates from Hood County and not renewed its contract.

### Request

The Department requests authority for 540 additional beds and that Upshur, LaMar and Henderson Counties and the City of Mansfield Jail be added to the Texas contract. The new facilities could provide up to 440 beds: Upshur up to 100 beds, LaMar up to 50 beds, Henderson up to 50 beds and Mansfield up to 240 beds. Franklin County has expanded and DOC can contract for an additional 20 beds and Comanche County is expanding and will have 80 beds available in September or October of 1998. The total additional beds available in Texas is 540.

Upshur County (Gilmer) is located approximately 100 miles east of Dallas, LaMar County (Paris) is located approximately 80 miles northeast of Dallas and Henderson County (Athens) is located approximately 80 miles southeast of Dallas. All are in close proximity to other contract facilities in Texas. The City of Mansfield is approximately 20 miles southwest of Dallas and is near the facilities in Comanche and Palo Pinto Counties.

Wisconsin officials have personally inspected the LaMar and Henderson County facilities. Wisconsin officials prior to June 20th will inspect the City of Mansfield facility and the Upshur County jail.

No contract provisions are modified. As under the current contracts, the daily rate of \$39.96 would apply to the new sites

## Corrections Corporation of America (CCA)

### Background

1997 WI Act 27 authorized the department to contract for an additional 1,500 beds out of state, including private providers.

On February 4, 1998 the Department submitted a s.13.10 request to the Joint Committee on Finance for approval of the contract with Corrections Corporation of America (CCA), a private provider, for housing and services for up to 1,200 medium and maximum security inmates in two secure correctional facilities located in Hardeman County, Whiteville, Tennessee, at a rate of \$42 per day. The Committee approved this request on March 5, 1998.

Under this contract up to 400 inmates were to be transferred to the Hardeman 1 facility in FY 98 and up to 800 inmates would be transferred to Hardeman 2 in FY 99. The Hardeman 2 facility is now known as Whiteville Correctional Facility. The Department currently has 397 inmates in Hardeman 1.

In December, 1997, the department had issued an intent to award a contract for 300 beds with another private provider. However, this provider does not have beds available at this time.

### Request

The Department requests authority to expand its contract with CCA for an additional 300 inmates in Whiteville Correctional Facility and enter into a contract with CCA for 480 beds to house medium and maximum security inmates in Sayre, Oklahoma. The rate of \$42 per day would remain unchanged and the terms and conditions of the new contract in Sayre, Oklahoma would be identical to the current CCA contract.

Department officials have not inspected the Sayre, Oklahoma facility and any contract would be contingent upon site approval. The Department plans to have this site visit completed by June 20<sup>th</sup>.

### New Facility for Women

The Department requests authority to enter into a contact with the State of Virginia, Department of Corrections for 200 beds for female inmates at Fluvanna Correctional Center for Women, Troy, Virginia. The rate of this contract would be \$60 per day.

Department officials have not inspected the Virginia facility and any contract would be contingent upon approval of the site. The Department plans to have this site visit completed by June 20<sup>th</sup>. It is expected that the contract will be very similar to the CCA contract, but it has not been finalized.

### Staff Request

In view of the expanded numbers of out of state beds, and the need for frequent site visits for the purpose of inspection, monitoring, and reporting, the Department requests 3.0 FTE Contract Specialist positions and 1.0 FTE Program Assistant 2. The cost of these positions, including salary, fringe, supplies and services, and travel expenses is \$268,400 in FY 99. Inmate transportation costs are estimated to be \$109,800 in FY 99.

### Sources of Funding

#### s. 20.865 (4) (a)

1997 WI Act 27 appropriated \$4.9 million in FY 98 for 490 contract beds and \$10.1 million in FY 99 for 1,000 contract beds for the department to use if it should be necessary. These funds were deposited in s. 20.865 (4) (a) (Joint Committee on Finance Supplemental Appropriation and General Purpose Revenue funds). The assumption was that the department would reallocate any additional funds necessary to support the contracts. The department did not request any of these funds in FY 98.

#### s. 20.410 (1) (ab)

The department had a base budget of \$33,093,500 in Appropriation s. 20.410 (ab). Due to lower than anticipated usage, the department projects a balance of \$1,107,700 in s. 20.410 (ab) in FY 98.

According to the March 5, 1998 action of Joint Finance, any unencumbered balance in the corrections contracts and agreements appropriation s. 20.410 (1) (ab) on June 30, 1998 must be transferred to the Joint Finance supplemental appropriation.

The department is anticipating a deficit in appropriation, 20.410 (3) (cg) (Serious juvenile offender), and has submitted a companion s. 13.10 request for the transfer of \$1,496,200 million from s. 20.410(1) (ab) to s. 20.410(3) (cg) (Serious juvenile offender). This request would reduce the amount placed in the Joint Finance Appropriation to \$207,700.

#### s. 20.410 (1) (m)

The department received a SCAAP grant (State Criminal Alien Assistance Program) which is a federal reimbursement grant for costs states incur for incarcerated aliens. The department is requesting transfer of \$1.2 million of the grant funds for the purchase of contract jail beds.

#### s. 20.410 (1) (b)

Intensive Sanctions population growth affected by the September, 1996 s. 13.10 motion, which capped the intensive sanctions population at 1,600 offenders for the remainder of FY 97. The 1997 WI Act 27 provided a reserve in Joint Finance for partial funding of 1,000 contract beds in FY 99. This partial funding was based on the assumption that

increased contracting needs were caused by a further reduction of the intensive sanctions program. To fully fund the increased contract beds the Department was expected to develop surplus funds in Intensive Sanctions and related program support functions. The department has now developed a reduction plan for FY 99 which will reduce the Intensive Sanctions field population to 200, freeing up approximately \$8.2 million in community corrections, purchase of services, and monitoring center savings.

The department is requesting authority to contract for an additional 1,520 beds in FY 99, bringing the total number of contract beds to 4,258. The estimated cost of contracting, inmate transportation, and support staff is \$70,846,900 in FY 99. If all of these transfers are approved, the department estimates that there will still be a deficit of \$13.2 million in FY 99. The department will attempt to identify a funding source for this deficit at a later time.

### Summary

The department has identified 1,520 potential new contract beds in Oklahoma, Texas, Tennessee, and Virginia. Two hundred of these beds are for female offenders. This request asks for approval of expanded contracts with Texas jurisdictions and with Corrections Corporation of America, and for authority to contract for the additional beds. It requests permission to submit the new contract with Virginia for the female offenders by the 14-day passive review process when it is completed. Finally, the request asks for permission to hire 4.00 FTE to support the contract monitoring unit, and provide frequent on site inspection of the various facilities.

### Transfer Requests

<u>Funds</u>	<u>From</u>	<u>To</u>
\$ 15,207,700	s. 20.865 (4) (a)	s. 20.410 (1) (ab)
\$ 821,800	s. 20.410 (1) (m)	s. 20.410 (1) (ab)
\$ 6,185,200	s. 20.410 (1) (b)	s. 20.410 (1) (ab)
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\$ 400,000	s. 20.410 (1) (a)	s. 20.410 (1) (ab)
\$ 378,200	s. 20.410 (1) (m)	s. 20.410 (1) (a)
<b>TOTAL</b>		
<b>\$ 24,592,900</b>		

If these requests for transfer of funds and the companion s. 13.10 request are approved, and all of the beds requested are used as projected, the department still estimates an FY 99 deficit in s. 20.410 (1) (ab) of approximately \$13.2 million.

### Appendix

A summary of current and proposed beds both in and out of state is in the appendix.

# Appendix

## DEPARTMENT OF CORRECTIONS CONTRACT BEDS

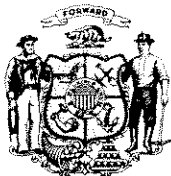
STATE	EXISTING CONTRACTS	PROPOSED BEDS	TOTAL
Minnesota (Federal)	300	-	300
Oklahoma	-	480	480
Texas	700	540	1,240
Tennessee	1,200	300	1,500
Virginia (Female)	-	200	200
Wisconsin (Prairie du Chien)	300	-	300
Wisconsin (Counties)	285	-	285
<b>TOTALS</b>	<b>2,785</b>	<b>1,520</b>	<b>4,305</b>

INMATES IN TEXAS COUNTIES	
COUNTY	NUMBER OF INMATES
Bowie	361
Comanche	22
Franklin	10
Morris	17
Palo Pinto	49
Red River	63
Titus	138
Van Zandt	40
<b>TOTAL</b>	<b>700</b>



Tommy G. Thompson  
Governor

Michael J. Sullivan  
Secretary



## State of Wisconsin Department of Corrections

Mailing Address  
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June 2, 1998

### MEMORANDUM

To: The Honorable Timothy Weeden  
Co-Chair, Joint Committee on Finance

The Honorable John Gard  
Co-Chair, Joint Committee on Finance

From: Michael J. Sullivan, Secretary  
Department of Corrections

Re: S. 13.10 Request

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- The department requests position authority for 4.0 FTE and the following transfers to fully fund 2,785 contract beds which have already been authorized, to partially fund 1,520 newly identified beds and fund the 4.0 FTE to support the program:

<u>Funds</u>	<u>From</u>	<u>To</u>
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\$ <u>378,200</u>	s. 20.410 (1) (m)	s. 20.410 (1) (a)
<b>TOTAL \$ 24,592,900</b>		

### **Population Issues**

Inmate populations are increasing rapidly both due to increased admissions and reduced releases. From January to April, 1998, admissions averaged 602 per month versus an average of 519 per month for January to April in 1997.

In 1997 total inmate populations grew at an average rate of 151 per month. In the first four months of 1998, populations increased at a rate of 173 per month.

If the average monthly population continues to increase at current 1998 rates, there will be almost 17,000 inmates by December, 1998 and over 18,000 by June, 1999.

## **TEXAS JAIL BEDS**

### **Background**

On September 26, 1996, the Joint Committee on Finance approved the agreement between the Texas counties of Hood, Johnson, Palo Pinto and Comanche and the Wisconsin Department of Corrections to provide up to 700 beds for Wisconsin inmates in Texas county jails between October 15, 1996 and June 30, 1997. The committee further allowed the Department to submit additional names of counties for a 14-day passive review. The committee approved the addition of Red River and Titus counties on January 8, 1997, after a 14-day passive review.

In February of 1997, the Department requested that Franklin, Morris, Van Zandt and Ector counties be added to the existing contract. This request was subsequently modified to include Bowie County. After a hearing the Joint Committee on Finance approved this request on April 16, 1997.

Currently, the Department of Corrections has 700 inmates in eight Texas County jails. The names of the jails and the number of inmates located in each one are attached in the appendix to this request. These contracts have been renewed annually, and are now extended through 1999.

Three counties that were approved are no longer available. Ector County is no longer interested in contracting; Johnson County no longer has space available, and the department has removed inmates from Hood County and not renewed its contract.

### **Request**

The Department requests authority for 540 additional beds and that Upshur, LaMar and Henderson Counties and the City of Mansfield Jail be added to the Texas contract. The new facilities could provide up to 440 beds: Upshur up to 100 beds, LaMar up to 50 beds, Henderson up to 50 beds and Mansfield up to 240 beds. Franklin County has expanded and DOC can contract for an additional 20 beds and Comanche County is expanding and will have 80 beds available in September or October of 1998. The total additional beds available in Texas is 540.

Upshur County (Gilmer) is located approximately 100 miles east of Dallas, LaMar County (Paris) is located approximately 80 miles northeast of Dallas and Henderson County (Athens) is located approximately 80 miles southeast of Dallas. All are in close proximity to other contract facilities in Texas. The City of Mansfield is approximately 20 miles southwest of Dallas and is near the facilities in Comanche and Palo Pinto Counties.

Wisconsin officials have personally inspected the LaMar and Henderson County facilities. Wisconsin officials prior to June 20th will inspect the City of Mansfield facility and the Upshur County jail.

No contract provisions are modified. As under the current contracts, the daily rate of \$39.96 would apply to the new sites

## Corrections Corporation of America (CCA)

### Background

1997 WI Act 27 authorized the department to contract for an additional 1,500 beds out of state, including private providers.

On February 4, 1998 the Department submitted a s.13.10 request to the Joint Committee on Finance for approval of the contract with Corrections Corporation of America (CCA), a private provider, for housing and services for up to 1,200 medium and maximum security inmates in two secure correctional facilities located in Hardeman County, Whiteville, Tennessee, at a rate of \$42 per day. The Committee approved this request on March 5, 1998.

Under this contract up to 400 inmates were to be transferred to the Hardeman 1 facility in FY 98 and up to 800 inmates would be transferred to Hardeman 2 in FY 99. The Hardeman 2 facility is now known as Whiteville Correctional Facility. The Department currently has 397 inmates in Hardeman 1.

In December, 1997, the department had issued an intent to award a contract for 300 beds with another private provider. However, this provider does not have beds available at this time.

### Request

The Department requests authority to expand its contract with CCA for an additional 300 inmates in Whiteville Correctional Facility and enter into a contract with CCA for 480 beds to house medium and maximum security inmates in Sayre, Oklahoma. The rate of \$42 per day would remain unchanged and the terms and conditions of the new contract in Sayre, Oklahoma would be identical to the current CCA contract.

Department officials have not inspected the Sayre, Oklahoma facility and any contract would be contingent upon site approval. The Department plans to have this site visit completed by June 20<sup>th</sup>.

### New Facility for Women

The Department requests authority to enter into a contract with the State of Virginia, Department of Corrections for 200 beds for female inmates at Fluvanna Correctional Center for Women, Troy, Virginia. The rate of this contract would be \$60 per day.

Department officials have not inspected the Virginia facility and any contract would be contingent upon approval of the site. The Department plans to have this site visit completed by June 20<sup>th</sup>. It is expected that the contract will be very similar to the CCA contract, but it has not been finalized.

### Staff Request

In view of the expanded numbers of out of state beds, and the need for frequent site visits for the purpose of inspection, monitoring, and reporting, the Department requests 3.0 FTE Contract Specialist positions and 1.0 FTE Program Assistant 2. The cost of these positions, including salary, fringe, supplies and services, and travel expenses is \$268,400 in FY 99. Inmate transportation costs are estimated to be \$109,800 in FY 99.

### Sources of Funding

#### s. 20.865 (4) (a)

1997 WI Act 27 appropriated \$4.9 million in FY 98 for 490 contract beds and \$10.1 million in FY 99 for 1,000 contract beds for the department to use if it should be necessary. These funds were deposited in s. 20.865 (4) (a) (Joint Committee on Finance Supplemental Appropriation and General Purpose Revenue funds). The assumption was that the department would reallocate any additional funds necessary to support the contracts. The department did not request any of these funds in FY 98.

#### s. 20.410 (1) (ab)

The department had a base budget of \$33,093,500 in Appropriation s. 20.410 (ab). Due to lower than anticipated usage, the department projects a balance of \$1,107,700 in s. 20.410 (ab) in FY 98.

According to the March 5, 1998 action of Joint Finance, any unencumbered balance in the corrections contracts and agreements appropriation s. 20.410 (1) (ab) on June 30, 1998 must be transferred to the Joint Finance supplemental appropriation.

The department is anticipating a deficit in appropriation, 20.410 (3) (cg) (Serious juvenile offender), and has submitted a companion s. 13.10 request for the transfer of \$1,496,200 million from s. 20.410(1) (ab) to s. 20.410(3) (cg) (Serious juvenile offender). This request would reduce the amount placed in the Joint Finance Appropriation to \$207,700.

#### s. 20.410 (1) (m)

The department received a SCAAP grant (State Criminal Alien Assistance Program) which is a federal reimbursement grant for costs states incur for incarcerated aliens. The department is requesting transfer of \$1.2 million of the grant funds for the purchase of contract jail beds.

#### s. 20.410 (1) (b)

Intensive Sanctions population growth affected by the September, 1996 s. 13.10 motion, which capped the intensive sanctions population at 1,600 offenders for the remainder of FY 97. The 1997 WI Act 27 provided a reserve in Joint Finance for partial funding of 1,000 contract beds in FY 99. This partial funding was based on the assumption that

increased contracting needs were caused by a further reduction of the intensive sanctions program. To fully fund the increased contract beds the Department was expected to develop surplus funds in Intensive Sanctions and related program support functions. The department has now developed a reduction plan for FY 99 which will reduce the Intensive Sanctions field population to 200, freeing up approximately \$8.2 million in community corrections, purchase of services, and monitoring center savings.

The department is requesting authority to contract for an additional 1,520 beds in FY 99, bringing the total number of contract beds to 4,258. The estimated cost of contracting, inmate transportation, and support staff is \$70,846,900 in FY 99. If all of these transfers are approved, the department estimates that there will still be a deficit of \$13.2 million in FY 99. The department will attempt to identify a funding source for this deficit at a later time.

### Summary

The department has identified 1,520 potential new contract beds in Oklahoma, Texas, Tennessee, and Virginia. Two hundred of these beds are for female offenders. This request asks for approval of expanded contracts with Texas jurisdictions and with Corrections Corporation of America, and for authority to contract for the additional beds. It requests permission to submit the new contract with Virginia for the female offenders by the 14-day passive review process when it is completed. Finally, the request asks for permission to hire 4.00 FTE to support the contract monitoring unit, and provide frequent on site inspection of the various facilities.

### Transfer Requests

<u>Funds</u>	<u>From</u>	<u>To</u>
\$ 15,207,700	s. 20.865 (4) (a)	s. 20.410 (1) (ab)
\$ 821,800	s. 20.410 (1) (m)	s. 20.410 (1) (ab)
\$ 6,185,200	s. 20.410 (1) (b)	s. 20.410 (1) (ab)
\$ 1,600,000	s. 20.410 (1) (d)	s. 20.410 (1) (ab)
\$ 400,000	s. 20.410 (1) (a)	s. 20.410 (1) (ab)
\$ 378,200	s. 20.410 (1) (m)	s. 20.410 (1) (a)
<b>TOTAL</b>		
<b>\$ 24,592,900</b>		

If these requests for transfer of funds and the companion s. 13.10 request are approved, and all of the beds requested are used as projected, the department still estimates an FY 99 deficit in s. 20.410 (1) (ab) of approximately \$13.2 million.

### Appendix

A summary of current and proposed beds both in and out of state is in the appendix.

# Appendix

## DEPARTMENT OF CORRECTIONS CONTRACT BEDS

STATE	EXISTING CONTRACTS	PROPOSED BEDS	TOTAL
Minnesota (Federal)	300	-	300
Oklahoma	-	480	480
Texas	700	540	1,240
Tennessee	1,200	300	1,500
Virginia (Female)	-	200	200
Wisconsin (Prairie du Chien)	300	-	300
Wisconsin (Counties)	285	-	285
<b>TOTALS</b>	<b>2,785</b>	<b>1,520</b>	<b>4,305</b>

INMATES IN TEXAS COUNTIES	
COUNTY	NUMBER OF INMATES
Bowie	361
Comanche	22
Franklin	10
Morris	17
Palo Pinto	49
Red River	63
Titus	138
Van Zandt	<u>40</u>
<b>TOTAL</b>	<b>700</b>

ADDENDUM TO  
CONTRACTUAL SERVICES CONTRACT  
BETWEEN CORRECTIONS CORPORATION OF AMERICA AND  
DEPARTMENT OF CORRECTIONS CONTRACT

This contract addendum is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 1998, by and between the State of Wisconsin, Department of Corrections, having its principal office at 149 East Wilson Street, Madison, Wisconsin, 53702, hereinafter referred to as the "Department", and Corrections Corporation of America, a corporation organized under the laws of the State of Tennessee, having its principal office at 10 Burton Hills Boulevard, Nashville, Tennessee, 37215, hereinafter referred to as "Contractor", to amend the Contract made and entered into between the Department and the Contractor on March 6, 1998.

WHEREAS, the Department is authorized pursuant to sec. 301.21, Stats., to enter into contracts for the transfer and confinement in another state of inmates who have been committed to the custody of the Department, and

WHEREAS, in accordance with the terms and conditions of Request for Proposal # C-461, on November 26, 1997, the Contractor submitted a Proposal to the Department and has been selected by the Department to house inmates committed to the Department, and

WHEREAS, a need has arisen to place an additional seven hundred eighty (780) Wisconsin inmates at out-of-state facilities, and

WHEREAS, the Department is authorized by statute and by the Wisconsin legislature's Joint Finance Committee to enter into this Addendum pursuant to which the Contractor will provide housing and other contractual services for certain inmates, and

NOW, THEREFORE, in consideration of the promises, covenants and agreements contained herein, the parties mutually agree as follows:

1.0 INMATES

The Department will forward an additional three hundred (300) male inmates to the Facility called Hardeman County 2 in the Contract made between the parties on March 6, 1998, for a total of 1,500 inmates. Said facility is now named Whiteville Correctional Facility.

The Department will also forward an additional four hundred eighty (480) male inmates to the Contractor's Sayre Correctional Facility in Sayre, Oklahoma.

The above seven hundred eighty (780) inmates shall be transferred into the Contractor's facilities during the balance of 1998, subject to the Wisconsin legislature's Joint Finance Committee's approval of this Addendum and availability of funds.

2.0 TERMS AND CONDITIONS

All other terms and conditions of the aforementioned Contract made between the Contractor and the Department on March 6, 1998, remain in effect unchanged by this Addendum.

IN WITNESS WHEREOF, the parties hereunto affix their signatures below:

FOR THE DEPARTMENT OF CORRECTIONS:

\_\_\_\_\_  
Michael J. Sullivan, Secretary

\_\_\_\_\_  
Date Signed

FOR CONTRACTOR:

\_\_\_\_\_  
Chairman and CEO

\_\_\_\_\_  
Date Signed

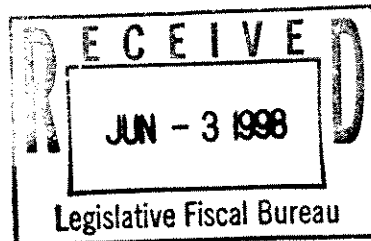


STATE OF WISCONSIN  
DEPARTMENT OF VETERANS AFFAIRS



30 West Mifflin Street, P.O. Box 7843, Madison, WI 53707-7843  
(608) 266-1311 FAX (608) 267-0403  
1-800-947-8387 (WIS VETS)  
Tommy G. Thompson, Governor  
Raymond G. Boland, Secretary

June 1, 1998



JUN 03 1998

Senator Timothy Weeden, Co-Chair  
Representative John Gard, Co-Chair  
Joint Committee on Finance

Dear Senator Weeden and Representative Gard:

The Department of Veterans Affairs currently rents the basement, first floor, part of the second floor and fifth through eighth floors of the office building located at 30 West Mifflin Street in Madison, Wisconsin. The space in the basement and first and second floors houses the Wisconsin Veterans Museum's operations. The space on the fifth through eighth floors is occupied by the department's operations and administrative staff. Because of the availability of vacant space in the building, the department has an opportunity to address current space needs for both our operating units and the second phase of a planned museum expansion. It should be noted that the museum expansion was approved as part of the state's 1997-99 Capital Budget. However, the expenditure authority to cover the additional rent costs were not included in the 1997-99 Biennial Budget.

**Request**

The Department of Veterans Affairs requests that the Joint Committee on Finance approve an increase in expenditure authority in FY 99 of \$62,800 SEG in Appropriation 20.485 (2) (wd), Operation of Wisconsin Veterans Museum, \$138,700 SEG in Appropriation 20.485 (2) (u), Administration of Loans and Aids to Veterans, \$176,500 SEG in Appropriation 20.485 (3) (s), General Program Operations and \$105,500 GPR in Appropriation 20.485 (2) (c), Operation of Wisconsin Veterans Museum. The requested expenditure authority is needed to cover the additional rent and security costs, as well as the associated cost of equipment and furniture related to the proposed expansion. It is also requested that the following amounts be included in the base budgets of each of the following appropriations: \$6,300 in Appropriation 20.485 (2) (wd), \$66,600 in Appropriation 20.485 (2) (u), \$84,700 in Appropriation 20.485 (3) (s), and \$105,000 in Appropriation 20.485 (3) (s). The increased expenditure authority will have minimal impact on the cash flow of either the Veterans Trust Fund or the Mortgage Loan Repayment Fund. A detailed budget for the second and ninth floor expansions is attached.

**Background**

**Second Floor Museum Expansion**

The department completed the first phase of the planned expansion of the Wisconsin Veterans Museum in FY 97. That phase of the expansion involved the relocation of the museum's offices from the basement to the second floor. The space vacated in the basement was used to provide additional storage space for the museum's growing collection of military artifacts, manuscripts and library holdings. A reading room was also created in the basement for the public to use when viewing the museum's manuscript collection.

The second phase of the museum expansion on the second floor involves leasing an additional 4,427 square feet of space for a multi-purpose area (2,700 SF) and a sales program inventory/storage area (500 SF). The balance of the leased space is for circulation (1,227 SF). The multi-purpose area would have seating for 150+ individuals and the audio/visual equipment needed for presentations to large groups.

The success of the museum has led to increased demands for services, public programs, and more varied merchandise for the museum store. As part of the educational mission of the museum, WVM has been hosting an annual series of programs and lectures that are designed to increase public awareness of the sacrifices made by our veterans. This year the lecture series consists of 14 presentations. In the past these presentations have typically been held in the large hearing rooms at the Capitol or in the auditorium of the State Historical Society on the UW campus. Both of these alternatives are inadequate. The hearing rooms at the Capitol often lack the space and the audio/video equipment needed for the presentations. The ability to have the lecture series at the proposed facility would allow the museum to more effectively publicize the lecture series and increase the revenues from gift shop sales following the presentations.

Last year, a total of 25,806 students from 485 schools toured the museum. To enhance the educational experience students receive from the tour, many of the schools request pre- and post tour orientations. The proposed multi-purpose area will allow the museum to provide such orientations to multiple groups at the same time. University classes also routinely visit the museum and many would also like to have space available for pre- and post museum tour learning.

Various veterans and civic organizations have likewise requested presentations at the museum. Conferences and workshops are also among the likely uses of the multi-purpose room space being requested here. There is presently no space in the Veterans Museum area to accommodate these activities.

The WVM Foundation, a non-profit fund raising organization, also sponsors the types of programs and events described. The future growth of the Foundations capabilities is seriously restricted by the limited space available at the museum.

The popularity of the WVM has increased substantially since it opened five years ago. It is time to expand our ability to meet growing public interest in the history of the citizen soldiers of Wisconsin.

Space needs for both historical collections and retail storage for the WVM have increased substantially as well. Under the proposed expansion, storage space for the museum store's inventory will be moved from the basement to the second floor. This will free up an additional 500 square feet of much needed space for collections storage.

### Ninth Floor Expansion

The Wisconsin Department of Veterans Affairs (WDVA) proposes to lease 6,500 sq. ft. of presently unoccupied space on the 9th floor of the 30 West Mifflin Street Building. The proposed expansion to the ninth floor is necessary to accommodate the reorganization and expansion of certain programs that have resulted from actions initiated through the Department's Strategic Business Plan. The information presented below will describe in more detail the department's needs and proposed uses for the new space and the benefits to be achieved.

In total, this floor contains 6,500 sq. ft. of leased space less the area taken for mechanicals, two elevator shafts, and two stairways. The newly leased space will be utilized by the Department as follows:

- Relocate the Office of Policy, Planning and Budget (OPPB)
- Relocate a work group of the Division of Veterans Programs
- Relocate Purchasing and Central Office Supply Storage
- Create a consolidated Information Technology Storage, Assembly, and Testing Function
- Create a Multi-Purpose Training Room
- Create a 16-20 person Conference Room
- Upgrade two existing rest rooms to be handicapped accessible

As previously stated, the prime reason for this proposal is to create new office space to accommodate department needs that could otherwise not be met. A department reorganization plan that has been approved by the Departments of Administration and Employee Relations reallocates certain positions to different or new functions to better deploy staffing to meet the department's Business Goals. This action creates space needs in certain areas that must be met either through reallocation of adjacent space or relocation of the function in total to a presently vacant area or break-up of a functional work team which could be detrimental to performance. The Department has evaluated these options and has found that the total space currently leased by the Department in this building is insufficient to accommodate this re-organization in an effective way. In addition, because of growth in certain functions since the Department's move to this building in December of 1990, space which had originally been programmed for an employee break room and storage has been converted to meet business needs. This plan will reallocate space so that those originally programmed space needs are again met.

As part of the department's recent reorganization, two additional staff have been assigned to the Office of Policy, Planning and Budget (OPPB). The space presently occupied by OPPB staff on the eighth floor is not large enough to accommodate the additional staff. Relocation of the nine OPPB staff to the ninth floor will preserve the unit work group and provides more available space for a budget library, greater filing space. The work of this staff requires the privacy and security best and most economically provided through small private offices.

The reorganization will result in significant reallocations in Division of Veterans Programs (DVOP). As a result of the additional space provided on ninth floor, it will be possible locate work units so that assigned staff can be located within the same general area on the same floor.

The purchasing and central office supply storage function, which has two staff and involves the storage of all central office supplies, has already been relocated and downsized from 520 sq. ft. to the 345 sq. ft. it currently occupies. This current space was taken from space originally programmed for storage of veterans discharge and loan and grant records. This has left both functions cramped in space inadequate to effectively meet the business needs of the department. Relocation of the Purchasing and Central Office Supply Storage to the ninth floor will provide ample and secure space for the central supply function and allow the vacated fifth floor space to be reintegrated to the records function as originally programmed. The plan is to reconfigure the records area to accommodate new systems work units that allow for more efficient work flows.

Since moving into this building the space required to accommodate information technology (IT) functions has grown immensely. As a result, these functions have received whatever space was available. For example, computer components are currently stored in a basement room without a controlled environment. Similarly, in order to provide space for computer assembly and testing it has been necessary to an employee break room. This proposal provides ample and secured space on the ninth floor to accomplish these functions in an effective manner. The vacated space will be returned to an employee break room on the fifth floor and storage for other things which have less environmental control requirements in the basement.

One of the major initiatives launched as a result of the department's Strategic Business Plan is to ensure that the employees of the department are well trained to carry out their job functions. The reorganization plan reallocates a position to serve as Training Officer for the department. This proposal creates a new multi-purpose training room that will have suitable audio-visual equipment and training workstations to accommodate multiple training objectives. Six of the training stations will be equipped with computer monitors and keyboards to facilitate training in the department's computerized business applications as well as standard desktop user infrastructure (PC operating environment, word processing, spreadsheet, data base, messaging, etc.) In addition to serving department employees, this room will be utilized periodically to training County Veteran Service Officers (CVSOs) in the WDVA business applications. It is anticipated that this training room would be utilized by other state agencies as well.

For both the second and ninth floor expansions, the costs of the renovation will be born by the owner. Those costs will be built into the monthly lease rate for both the new and existing space that the department leases in the building. This is consistent with how the previous renovations of office space for the department in this building and the construction of the museum were financed.

How Request Meets Statutory Criteria for s. 13.10

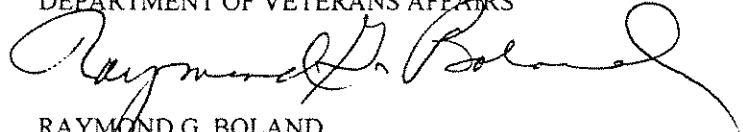
The request meets the criteria under s. 13.101 (3) because of the following reasons:

- Without the requested increase in expenditure authority, the department can not meet its current and future space needs. The state currently leases the vacant space on the 9th and 10th floors. The current state lease for that space expires at the end of June.
- The department had attempted to have an amendment introduced that would have included the funding in the recently passed.
- Budget Adjustment Bill. However, the department was advised by the State Budget Office and members of the Joint Committee on Finance that the s. 13.10 process was more appropriate vehicle for obtaining the necessary funding.
- No other funds are available to fund the additional rents costs in FY 99.

Thank you for your consideration of this matter. If you have any questions or need additional information, please contact John Scocos at 266-3081.

Sincerely,

DEPARTMENT OF VETERANS AFFAIRS

A handwritten signature in black ink, appearing to read "Raymond G. Boland", written over the printed name.

RAYMOND G. BOLAND  
SECRETARY

**Expenses for Additional Space on 2nd and 9th Floors of 30 W. Mifflin St.  
FY 1999**

**2nd Floor:**

Additional Space:	Sq. feet	Cost per sq. foot	Monthly cost	Number of payments	Total
Rent	4,427	\$17.77	\$6,555.65	11	\$72,112.14
Security	4,427	\$0.34	\$126.44	11	\$1,390.83

Increased Cost of Original Museum Space:	Sq. feet	Increased cost per sq. foot	Increased monthly cost	Number of payments	Total
Rent increase	17,373	\$1.98	\$2,864.73	11	\$31,512.08

Item	Number	Cost per Unit	Total Cost
Refrigerator	1	\$600	\$600
Microwave	1	\$250	\$250
Tables 8' x 10'	10	\$750	\$7,500
Chairs	160	\$63	\$10,080
Conference table	1	\$800	\$800
Chair dollies	10	\$120	\$1,200
Phone units (12 line hand units)	3	\$200	\$600
Phone expansion card			\$300
Ceiling mounted video	1	\$10,000	\$10,000
Ceiling mounted screen	1	\$2,000	\$2,000
Slide scanner computer	1	\$10,000	\$10,000
Audio visual controls	1	\$5,000	\$5,000
Sound system	1	\$2,500	\$2,500
Moveable seating platform	1	\$12,000	\$12,000
			<u>\$62,830</u>

**GPR Appropriation 203 Increase:** (10% of furniture and equipment costs are considered to be on-going replacement and maintenance costs.)

**Rent and security      \$105,015**

**SEG Appropriation 263 Increase:**

One-time	\$56,547
On-going operational costs	<u>\$6,283</u>
	<b>\$62,830</b>

9th Floor:

	Sq. feet	Cost per sq. foot	Monthly cost	Number of payments	Total
Total of new space plus renovation costs:					
Rent	6,500	\$17.46	\$9,457.50	12	\$113,490.00
Security	6,500	\$0.34	\$184.17	12	\$2,210.00

Increased Cost of Original Cental Office Space:

	Cost spread over these sq. feet	Additional cost per sq. foot	Increased monthly cost	Number of payments	Total
	26,000	\$0.67	\$1,451.67	12	\$17,420.00

One-time costs for furniture and equipment:

Training Room-9th Floor

Item Description	Qty	Unit Cost	Total
Training PCs	6	\$ 1,850	\$ 11,100
Trainer PC	1	\$ 1,850	\$ 1,850
Training room file server	1	\$ 8,000	\$ 8,000
Training view-thru workstations	6	\$ 1,000	\$ 6,000
PC software	7	\$ 1,000	\$ 7,000
Training file server operating system	1	\$ 3,000	\$ 3,000
Network cabling (cat 5)	1	\$ 3,000	\$ 3,000
Additional training tables	4	\$ 250	\$ 1,000
Chairs	15	\$ 300	\$ 4,500
Projection system (overhead)	1	\$ 5,500	\$ 5,500
Projection screen	1	\$ 500	\$ 500
TV -35"	1	\$ 1,500	\$ 1,500
Presentation cart - TV	1	\$ 750	\$ 750
VCR	1	\$ 300	\$ 300
Projection cart - VCR	1	\$ 625	\$ 625
Training room work table	2	\$ 250	\$ 500
Training room bookcase	2	\$ 150	\$ 300
Training room storage cabinet	2	\$ 250	\$ 500
Instructor's podium & workstation	1	\$ 400	\$ 400
File cabinet	1	\$ 500	\$ 500
White board (erasable)	2	\$ 400	\$ 800
		<b>Total</b>	<b>\$ 57,625</b>

IT STORAGE AREA

Item Description	Qty	Unit Cost	Total
Portable racks to store and move hardware.	3	\$1,667	\$ 5,001
Work tables	4	\$ 250	\$ 1,000
Chairs	2	\$ 150	\$ 300
Cabling	1	\$ 500	\$ 500
		<b>Total</b>	<b>\$ 6,801</b>

Item Description	Qty	Unit Cost	Total
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Modular workstations	14	\$ 5,000	\$ 70,000
Desk	13	\$ 500	\$ 6,500
Desk Chair	17	\$ 400	\$ 6,800
Side Chair	17	\$ 125	\$ 2,125
File Cabinet	17	\$ 250	\$ 4,250
Book case	17	\$ 140	\$ 2,380
Computer workstation	13	\$ 300	\$ 3,900
Conference Table	1	\$ 800	\$ 800
Side chairs for conference table	12	\$ 400	\$ 4,800
Phone units & line installation	20	\$ 150	\$ 3,000
Conference phone	1	\$ 375	\$ 375
Photocopier rental	1	\$ 2,835	\$ 2,835
Fax machine rental	1	\$ 765	\$ 765
Printer	1	\$ 5,000	\$ 5,000
Refrigerator	1	\$ 600	\$ 600
Microwave	1	\$ 250	\$ 250
15" cutting board	1	\$ 160	\$ 160
Heavy duty stapler	1	\$ 86	\$ 86
Pencil sharpener	1	\$ 52	\$ 52
Paper Punch	1	\$ 50	\$ 50
Clock	3	\$ 41	\$ 123
Bookshelves	4	\$ 453	\$ 1,812
Mobile plan stand	1	\$ 320	\$ 320
Wire Roll File	1	\$ 95	\$ 95
Fax machine stand	1	\$ 200	\$ 200
Printer stand	1	\$ 320	\$ 320
		<b>Total</b>	<b>\$ 117,598</b>

**Total SEG Increase for 9th Floor:** (10% of furniture and equipment costs are considered to be on-going replacement and maintenance costs.)

Rent and security	\$133,120
One-time	\$163,822
On-going operational costs	\$18,202
	<b>\$315,144</b>

**SEG Appropriation 261 Increase:**

Rent and security	\$58,573
One-time	\$72,082
On-going operational costs	\$8,009
	<b>\$138,663</b>

**SEG Appropriation 363 Increase:**

Rent and security	\$74,547
One-time	\$91,740
On-going operational costs	\$10,193
	<b>\$176,481</b>